announced to have a lenient approach towards exit law in relation to closure of sick companies;

(b) if so, the details thereof; and

(c) its likely impact on the workers working in these companies?

THE MINISTER OF STATE OF THE MINISTRY OF COMPANY AFFAIRS (SHRI PREM CHAND GUPTA): (a) No, Sir. However, the Government have recently introduced a Simplified Exit Scheme, which is in operation from 01-02-2005 to 31-07-2005, in order to enable defunct companies to get their names struck off from the Register of Companies under Section 560 of the Companies Act, 1956.

(b) and (c) Questions do not arise.

Investment of Non-Government Provident Funds in Stocks

28. SHRI RAJKUMAR DHOOT: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Non-Government provident funds will be permitted to invest in stocks from April, 2005;

(b) if so, the details thereof;

(c) whether any minimum return has ben stipulated to ensure agreed return on PF; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) Yes, Sir. The pattern of investment has been revised with a view to providing wider avenues for investment by Non-government Provident Funds, Superannuation Funds and Gratuity Funds. As per the revised pattern, which is effective from 1.4.2005, an amount upto 5% of the total portfolio has been allowed to be invested in shares of those companies that have an investment grade debt rating from two credit rating agencies.

(c) and (d) The investment pattern has been devised in such a manner that the maximum emphasis is on providing secured returns to the provident funds, superannuation funds and gratuity funds. However,

the funds have been empowered to invest in risk instruments also subject to the assessment of risk-return trade off by the trustees.

Loans Extended to Industrial sector by Banks

29. SHRI GIREESH KUMAR SANGHI: Will the Minister of FINANCE be pleased to state:

(a) the details of the loans extended to the customers in the industrial sector by the Nationalised Banks;

(b) whether any study has been conducted by the Ministry to know the problems being faced by the customers, both small and big, in getting loans sanctioned from Nationalised banks;

(c) if so, the details thereof; and

(d) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) Reserve Bank of India (RBI) have reported that outstanding loans to industrial sector (small, medium and large scale) by Nationalized Banks as on November 26, 2004 was Rs. 161315 crores.

(b) and (c) RBI have further reported that from time to time, different Committees/Groups have looked into the problems being faced by bank's customers. Recently, a Working Group on Flow of Credit to Small Scale Industries (SSI) Sector (Chairman Dr. A.S. Ganguly) has examined the problems being faced in increasing the flow of credit to SSI sector and some recommendations of the same have been implemented by RBI. The measures recently taken by RBI to improve the credit flow to SSI sector include.

- Banks to identify new clusters and adopt cluster-based approach for financing Small and Medium Enterprises (SME) sector.
- Lead Banks to consider sponsoring specific projects as well as widely publicise the successful working models of NGOs.
- Banks operating in the North East Region encouraged to consider sanctioning higher working capital limits to SSIs for maintaining higher level of inventory.